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Latin America and the Caribbean: Impact of COVID-19

The Coronavirus Disease 2019 (COVID-19) pandemic is having widespread economic, social, and political effects on Latin America and the Caribbean. As of May 20, 2021, the region had over 31 million confirmed cases (19% of cases worldwide) and almost 1 million deaths (29% of deaths worldwide). Brazil, Mexico, Colombia, Argentina, and Peru had the highest numbers of deaths in the region, and Brazil and Mexico had the second- and fourth-highest deaths globally. Looking at mortality (death) rates per 100,000 population, Brazil had the highest recorded COVID-19 mortality rate in the region, followed by Peru, Mexico, Colombia, and Argentina (see **Table 1**).

In its weekly briefing on May 19, 2021, the Pan American Health Organization (PAHO) reported that infections had begun to drop throughout the region in the past month after a surge in cases, particularly in South America. Nevertheless, PAHO reported that many Caribbean islands, such as the Bahamas, Haiti, and Trinidad and Tobago, were seeing increased COVID deaths. In Central America, Costa Rica, Panama, and parts of Honduras were reporting sharp rises in infections. In South America, despite overall reductions in most countries, PAHO noted rising infections in Bolivia, a doubling of cases and deaths in some hotspots in Argentina and Uruguay, and a pause in decreasing trends in Brazil.

PAHO has played a major role in supporting countries in their pandemic responses. When the pandemic began to surge in the region in 2020, the PAHO director expressed concern about the poor and other vulnerable groups at greatest risk, including those living in the Amazon Basin, particularly indigenous communities; women, who make up 70% of the health workforce in the Americas; people of African descent; migrants in temporary settlements; and prisoners in crowded jails.

The rollout of vaccines in the region has been slow, with some exceptions, and there is concern that widespread vaccine access in some countries could be delayed until 2022 or early 2023. As of May 21, according to the *New York Times* vaccine tracker, Chile was the leader in the region, with 40% of its population fully vaccinated, followed by Uruguay, with 28%. Many countries, however, have vaccinated smaller percentages of their populations. For example, as of May 21, Barbados had fully vaccinated 16% of its population, Costa Rica 11%, St. Lucia 9.5%, Mexico 8.9%, Brazil 8.5%, the Dominican Republic 7.7%, Panama and El Salvador 7.2%, Colombia 6%, Grenada 5.2%, Argentina 4.8%, Peru 2.6%, and other countries with smaller percentages.

PAHO has helped countries prepare for vaccine rollout and facilitated access to vaccines through the COVID-19 Vaccines Global Access (COVAX) Facility, a mechanism

developed by global health organizations to facilitate equitable distribution of COVID-19 vaccines; 22 countries in the region have signed agreements to access vaccines through the facility. In addition, 10 countries in the region—Bolivia, Dominica, El Salvador, Grenada, Guyana, Haiti, Honduras, Nicaragua, St. Lucia, and St. Vincent and the Grenadines—are eligible to benefit from the COVID-19 Vaccines Advance Market Commitment (COVAX AMC), launched by Gavi, the Vaccine Alliance, to provide donor-funded vaccines for low- and middle-income economies.

Table 1. COVID-19 Cases, Deaths, and Mortality Rates in Latin American/Caribbean (LAC) Countries
(countries with more than 2,000 deaths, as of May 20, 2021)

Country	Cases (millions)	Deaths	Deaths per 100,000
Brazil	15.894	444,094	210.42
Mexico	2.390	221,080	173.29
Colombia	3.177	83,233	165.34
Argentina	3.447	72,699	161.77
Peru	1.904	67,034	206.19
Chile	1.308	28,169	148.63
Ecuador	.415	20,022	115.24
Bolivia	.340	13,693	118.93
Paraguay	.324	8,012	113.73
Guatemala	.245	7,952	47.89
Panama	.373	6,314	148.69
Honduras	.230	6,093	62.52
Costa Rica	.297	3,736	74.02
Uruguay	.254	3,691	106.62
Dom. Rep.	.281	3,600	33.52
Venezuela	.220	2,465	8.64
El Salvador	.071	2,202	34.12
Total LAC	31.452	997,946	—
United States	33.057	588,539	179.3

Source: Johns Hopkins University School of Medicine, Coronavirus Resource Center, "Mortality Analyses," May 21, 2021, updated daily, at <https://coronavirus.jhu.edu/data/mortality>.

PAHO maintains that by the end of 2021, vaccines provided through COVAX should cover around 100 million people in the region, roughly 20% of each country's population. As of May 21, PAHO reported that almost 13 million doses

had been delivered through COVAX. Vaccine deliveries through COVAX have been slower than expected because of supply problems. Many countries in the region also have signed commercial agreements with pharmaceutical companies. A number of countries have begun to use Chinese and Russian vaccines; for several countries, including Chile, Uruguay, and Brazil, China has supplied the majority of vaccines. Cuba is making progress on two vaccines it is developing, has begun trials that will cover 1.7 million people, and aims to have 70% of its population vaccinated by August 2021.

PAHO's director said on May 18 that more vaccines are urgently needed for Latin America and the Caribbean. She noted that the gaps in access to COVID-19 vaccines in the region are a symptom of the region's overdependence on imports for essential medical supplies.

Economic Impact

In the April 2021 update of its *World Economic Outlook*, the International Monetary Fund (IMF) estimated a 7.0% economic contraction for the region. Economic recovery may be a protracted process in countries that rely heavily on global trade and investment. Caribbean nations that depend on tourism face deep economic recessions, several with projected economic declines over 15% in 2020. Several South American nations hard hit by the pandemic are projected to register economic contractions over 10%. Although most countries in the region are expected to begin economic recovery in 2021, the IMF regional growth forecast of 4.6% lags behind the expected world economic growth forecast of 6.0%.

The economic contraction in 2020 increased poverty and exacerbated income inequality in the region. Latin America already was the most unequal region in the world in terms of income inequality, according to the U.N. Economic Commission for Latin America and the Caribbean (ECLAC). A March 2021 ECLAC report estimated 22 million people in Latin America moved into poverty in 2020, with overall poverty rising to 33.7% of the region's population from 30.5% in 2019.

A number of countries in the region have implemented stimulus programs to help protect their economies and vulnerable populations, but countries have needed external financing to respond to the pandemic and associated economic downturn. In response, international financial institutions, including the IMF, the Inter-American Development Bank (IDB), and the World Bank, significantly increased lending to countries in the region.

Political Impact

Even before the pandemic, public satisfaction with the quality of democracy in several Latin American and Caribbean countries was eroding. The 2018-2019 Americas Barometer public opinion survey showed the lowest level of satisfaction with democracy since the poll began in 2004. Several broad political and economic factors drove the decline and help explain the eruption of social protests in the region in 2019. Political factors include an increase in authoritarian practices, weak democratic institutions, politicized judicial systems, corruption, and high levels of crime and violence. Economic factors include

stagnant or declining growth; high levels of inequality and poverty; and inadequate public services, social safety net programs, and advancement opportunities.

The pandemic exacerbated these factors and contributed to increased protests in the region since late 2020. Beginning in late April 2021, mass protests in Colombia against a pandemic-related tax increase turned into broader anti-government demonstrations. Human rights groups and other observers also have expressed concern about leaders taking advantage of the pandemic to advance their own agendas and restrict freedom of expression.

U.S. Policy Considerations

Congress has provided some \$17 billion in international affairs funding to help countries worldwide respond to COVID-19, including through global health interventions, humanitarian assistance, and contributions to multilateral efforts. The funding vehicles included two FY2020 supplemental appropriations measures approved in March 2020 (P.L. 116-123 and P.L. 116-136); the Consolidated Appropriations Act, 2021 (P.L. 116-260), approved in December 2020; and the American Rescue Plan Act of 2021 (P.L. 117-2), signed into law in March 2021. P.L. 116-260 included \$4 billion to be made available as a contribution to Gavi, the Vaccine Alliance, which supports COVAX AMC and coordinates implementation of the COVAX Facility, both of which benefit countries in the region. Congress may consider additional funding for international pandemic response as it examines the Biden Administration's FY2022 budget request.

Some Members of Congress have called for President Biden to prioritize Latin American and Caribbean countries in donating surplus vaccines to countries in need. The White House announced in March 2021 that the United States would share 2.5 million doses of the AstraZeneca vaccine with Mexico. In April 2021, White House officials announced the United States would make available up to 60 million doses of the AstraZeneca vaccine to countries worldwide, once the Food and Drug Administration authorizes the vaccine for emergency use and export. On May 21, the White House announced it would send at least another 20 million doses of vaccines that are authorized for use in the United States.

Some Members have argued for and against a proposal at the World Trade Organization to waive intellectual property rights for COVID-19 vaccines. On May 5, 2021, the Administration announced its support for negotiating such a waiver due to the pandemic's extraordinary circumstances.

Legislation has been introduced (S. 616) to authorize a capital increase for the IDB, in part to help countries address the pandemic and its economic impact. The IDB capital increase also was included in a broader legislative initiative on China, S. 1169, reported by the Senate Foreign Relations Committee on May 10, 2021.

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